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Attorneys for Movant/Secured Creditor,  
HARVEST SMALL BUSINESS FINANCE, LLC

**UNITED STATES BANKRUPTCY COURT**

**CENTRAL DISTRICT OF CALIFORNIA (LOS ANGELES DIVISION)**

IN RE:

SEATON INVESTMENTS, LLC,

- ☐ Affects All Debtors.  
☐ Affects Seaton Investments, LLC (Dismissed)  
☐ Affects Colyton Investments, LLC (Dismissed)  
☐ Affects Broadway Avenue Investments, LLC  
☒ Affects SLA Investments, LLC  
☐ Affects Negev Investments, LLC  
☐ Affects Alan Gomperts  
☐ Affects Daniel Halevy  
☐ Affects Susan Halevy

Debtors.

HARVEST SMALL BUSINESS FINANCE, LLC,

Movant,

vs.

SLA INVESTMENTS, LLC,

Debtor.

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:  
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;  
**2:24-bk-12082-VZ**; 2:24-bk-12091-VZ;  
2:24-bk-12074-VZ; 2:24-bk-12075-VZ  
and 2:24-bk-12076-VZ

Chapter 11

**REPLY IN SUPPORT OF MOTION FOR  
RELIEF FROM THE AUTOMATIC STAY  
[REAL PROPERTY: [1040 S. Los Angeles  
Street, Los Angeles, CA 90015, APN 5145-020-  
057]**

*(Declaration of Jessica Simon filed concurrently  
herewith)*

Hearing

DATE: January 6, 2026

TIME: 10:30 a.m.

CTRM: 1368

JUDGE: Vincent P. Zurzolo

**I. REPLY IN SUPPORT OF MOTION**

**A. Relief from the Automatic Stay Is Warranted Under Section 362(d)(1) For Lack of an Equity Cushion**

As Movant demonstrates in its Motion, based on the appraiser's valuation of \$2,100,000.00, there is no equity cushion in the Property.<sup>1</sup> (Motion, p. 5.) Debtor does not contest that. Rather, Debtor claims that the Property should be valued at \$2.5 million, resulting in an equity cushion of 10% and 13.5% (depending on inclusion of real property taxes). (Opposition, p. 2.) Debtor's valuation is unreliable, and Debtor is mistaken in its equity cushion calculation.

First, Movant has submitted a timely, reliable, and substantiated appraisal showing that the fair market value of the Property is \$2.1 million as of October 20, 2025. (*See* Ex. 5 to Motion, Shioji Decl., ¶ 5, Ex. A thereto.) Debtor has failed to rebut Harvest's appraisal with sufficient evidence to support Debtor's valuation.

In opposition to the Motion, Debtor primarily contends that there is equity in the Property and an equity cushion, relying on an over one-year old sale offer on the Property for \$2.5 million – which did not even proceed – and no other substantiation in support, other than opinions (without more) of the Debtor and a broker. Specifically, Debtor submits a broker's opinion of value from Ms. Elizabeth Clark who bases her \$2.5 million valuation on an offer to purchase the Property for that amount in August 2024 (well over one year ago) and claimed strengthening of the weakened real property market in the last few months. (*See* Declaration of Elizabeth Clark to Debtor's Opposition ["Clark Decl."], ¶ 3.) She submits no sale comparables or basis for her belief that the market has strengthened enough in recent months that the Property would now sell for \$2.5 million. She furthermore does not explain what happened to that offer (for example, whether it was withdrawn or otherwise why the Property was not sold at that price). In short, her testimony does not demonstrate with credible evidence the Property's value in the present market. The Debtor, by and through one of its members Mr. Daniel Halevy further testifies to a valuation between \$2.4 and \$2.6 million, but also fails to support his valuation with any evidence of comparables or otherwise, and therefore it is not persuasive. (*See*

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<sup>1</sup> All terms not defined herein were defined in the Motion.

1 Declaration of Daniel Halevy [“Halevy Decl.”], ¶ 2.) *See, e.g., In re Bellamy*, No. 13-60391-13, 2013  
2 WL 6080260, at \*4 (Bankr. D. Mont. Nov. 19, 2013) (“While a debtor’s estimate of value may be  
3 acceptable in certain cases, the Court may give little weight to an opinion if not based upon sufficient  
4 facts,” and rejecting debtor’s opinion of value where debtor “offered no facts to support his opinion”).

5 By contrast, Harvest submits a recent appraisal (within recent months) of the Property’s  
6 valuation in the present market, with substantial support including comparables (*see, e.g.,* page 42 of  
7 the Appraisal, Ex. 5 to the Motion). Based on vacancies, the appraiser concluded that there would be a  
8 decrease in net operating income in 2025, supporting the valuation and further showing why a 2024  
9 offer – again, that was not even accepted – is unreliable to show present value. (*See*, page 54 and  
10 Addendum C [Rent Roll] of the Appraisal, Ex. 5 to the Motion). Thus, Harvest’s valuation of \$2.1  
11 million is the correct valuation to consider, showing that Harvest has no equity cushion in the  
12 Property.

13 Second, even if a \$2.5 million valuation were used – and it should not be – contrary to  
14 Debtor’s claim, there would only be a 3.5% cushion (or a cushion of \$76,257.35 with senior tax liens  
15 being assessed monthly and continuing to accrue). (Opposition, p. 2.) That is wholly insufficient as  
16 adequate protection under the law. *See, e.g., In re Lane*, 108 B.R. 6, 11 (Bankr. D. Mass. 1989)  
17 (equity cushions ranging from 8% to 18% have been deemed inadequate). *In re Mellor*, 734 F.2d 1396,  
18 1400 (9th Cir. 1984) (“A 20% cushion has been held to be an adequate protection for a secured  
19 creditor.”); *In re Helionetics, Inc.*, 70 BR 433, 440 (Bankr. C.D. Cal. 1987) (20.4% equity cushion was  
20 adequate).

21 Movant’s equity cushion calculation is reached by calculating Harvest’s lien, senior tax liens,  
22 and costs of sale, which total \$2,423,742.65, leaving a cushion of only \$76,257.35. Specifically,  
23 Harvest’s lien is at least \$2,154,239.09 as of November 20, 2025, 2024 defaulted real property taxes  
24 are at least \$97,943.65 as of December 2025 (including the additional December penalty assessed of  
25 \$1,148.22), defaulted December 2025 taxes add another \$21,559.91 (including an assessed penalty),  
26 and 6% costs of sale of \$150,000.00 (assuming in the unlikely event that the Property sells for \$2.5  
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1 million).<sup>2</sup> (*See* Jiang Decl., ¶ 8, ¶ 11.e, Ex. 6 Los Angeles Treasurer and Tax Collector Defaulted Tax  
2 Roll; Declaration of Jessica Simon filed concurrently herewith, ¶ 2, Ex. 7 [Los Angeles Treasurer and  
3 Tax Collector Defaulted Tax Roll as of December 23, 2025].)

4 Debtor claims that the adequate protection payments that Harvest is receiving of \$9,015.00 per  
5 month since May 2025 are supposedly adequate to offset the increasing taxes. (*See* Stipulation, Dkt.  
6 510; Opposition, p. 2.) But Debtor fails to consider that those payments do not even cover interest that  
7 continues to accrue under the Loan, much less the monthly obligations, which are normally  
8 \$19,190.05. (*See* Stipulation, Dkt. 510; Jiang Decl., ¶ 11.a., b., and c.) Both accruing interest and real  
9 property taxes further lead to a decline in an already nonexistent equity cushion (based on the  
10 appraiser's valuation of the Property) or insufficient equity cushion (based on the Debtor's submitted,  
11 and virtually baseless, opinions of value). Moreover, the Debtor has an apparent inability to increase  
12 the payments to Harvest by any meaningful amount, given that Debtor reports income ranging from  
13 \$9,700.00 in September 2025 to \$10,450.00 in November 2025 only. (*See* Monthly Operating Report  
14 ["MOR"] ending 9/30/2025, Part 4, and Preliminary Profit & Loss thereto, Dkt. 582; MOR ending  
15 11/30/2025, Part 4, and Preliminary Profit & Loss thereto, Dkt. 599.) Thus, for these reasons, Harvest  
16 is inadequately protected and stay relief should be granted under 11 U.S.C. § 352(d)(1), with waiver of  
17 the 14-day stay.

18 **B. Relief From the Automatic Stay Should Be Granted Under Section 362(d)(2)**  
19 **Because There Is No Equity and The Debtor Still Does Not Have an Executed**  
20 **Settlement Agreement or Plan on File**

21 Movant demonstrates in its Motion that there is no equity in the Property based on its  
22 calculation of its lien, plus Archway's lien, and real property taxes, without even including other  
23 costs as the Property is fully encumbered with these liens alone based on the \$2.1 million appraised  
24 valuation. (Motion, at p. 6.) Again, Debtor does not contest that calculation based on the appraised  
25 value of the Property but rather contests it based on its own valuation of the Property.

26 As set forth above, however, even using the Debtor's valuation – which again should not be  
27 used – there still is no equity in the Property. At most there would be an equity cushion of  
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<sup>2</sup> One cannot sell a property on the market without incurring costs of sale and those costs must be considered.

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1 \$76,257.35 for Harvest, but that does not include Archway's lien of at least \$131,875.00, which  
2 would eat up any equity. Thus, there is no equity for the estate under either valuation.

3 Next, Debtor does not contest that any reorganization depends on a settlement with the junior  
4 lienholder on this Property, Archway. (Opposition, p. 4.) It further acknowledges that a settlement  
5 agreement has not been signed as of the time of the Opposition, but believes that it will be signed  
6 soon with an amended joint Plan on file by end of January 2025. (Id.) Harvest reminds the Court  
7 that the Debtor's Disclosure Statement and Plan (which were not approved) and 9019 Motion were  
8 filed over 6 months ago on June 18 and June 19, 2025 respectively (Dkts. 107, 520), both have been  
9 continued various times leading to significant delay, and this case has been pending for a few months  
10 short of two years (as of March 19, 2024). Harvest is naturally circumspect of any timely executed  
11 agreement and Plan confirmation and unwilling to risk its interest in the Property. Based on the lack  
12 of equity in the Property and the amount of time and delay that has passed without a confirmable  
13 Plan, stay relief is warranted at this time under 11 U.S.C. § 362(d)(2), with waiver of the 14-day stay.

## 14 **II. CONCLUSION**

15 For the foregoing reasons, Movant respectfully requests that the Court grant it stay relief at this  
16 time under Sections 362(d)(1) and (d)(2) to exercise its state law rights and remedies to the Property,  
17 including but not limited to recording the Notice of Default, Notice of Sale, and proceeding to  
18 foreclose the Property, with waiver of the 14-day stay under FRBP 4001(a)(3).

19 DATED: December 29, 2025

HEMAR, ROUSSO & HEALD, LLP

20 */s/ Jessica M. Simon*

21 BY: \_\_\_\_\_

JESSICA M. SIMON

Movant/Secured Creditor,

22 HARVEST SMALL BUSINESS FINANCE, LLC  
23  
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25  
26  
27  
28

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
15910 Ventura Blvd., 12<sup>th</sup> Floor, Encino, CA 91436

A true and correct copy of the foregoing document entitled (*specify*): **REPLY IN SUPPORT OF MOTION FOR RELIEF FROM THE AUTOMATIC STAY [REAL PROPERTY: [1040 S. Los Angeles Street, Los Angeles, CA 90015, APN 5145-020-057]** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) December 16, 2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) December 29, 2025, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) December 29, 2025, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 29, 2025 MARY ANN GRANZOW  
\_\_\_\_\_  
*Date Printed Name*

/s/ MaryAnn Granzow  
\_\_\_\_\_  
*Signature*

**SERVICE LIST**

**BY PERSONAL DELIVERY:**

*Chambers' Copy:*

Hon Vincent P. Zurzolo  
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